



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

MAY 05 2014

7002 3150 0004 3517 3593

Mr. Randeep S. Grewal
President
Greka Refining Company
Post Office Box 5489
Santa Maria, California 93454-5489

Dear Mr. Grewal:

Region IX of the U.S. Environmental Protection Agency ("EPA") is issuing this letter to determine the Clean Air Act ("CAA" or "Act") compliance status of Greka Refining Company ("Greka Refining") with respect to the Mandatory Greenhouse Gas Reporting Rule at 40 C.F.R. Part 98¹ (hereafter "the GHG² Reporting Rule") and with the portion of the GHG Reporting Rule that addresses reporting by petroleum refineries³ at Subpart Y – Petroleum Refineries, 40 C.F.R. Part 98, Subpart Y, 40 C.F.R. §§ 98.250-258 (hereafter "the GHG Reporting Rule for Petroleum Refineries"). Greka Refining's *Facility* is located at 1660 Sinton Road in Santa Maria, California (the "*Facility*"). Pursuant to Section 114 of the Act, 42 U.S.C. § 7414, Greka Refining is hereby required to provide the following information requested in this letter. In responding to this request, Greka Refining shall use the instructions provided in Enclosure 1.

1. Does Greka Refining's *Facility* engage in the production of gasolines, *blendstocks*, *naphthas*, *kerosene*, *distillate fuel oils*, *residual fuel oils* (e.g., *nos. 5 or 6*), *lubricants*, or *asphalt* (bitumen) through distillation of petroleum or through redistillation, cracking, or reforming of unfinished petroleum derivatives? Specify the products listed above that are produced at Greka Refining's *Facility*.
2. Does Greka Refining's *Facility* have any of the following sources: *catalytic cracking units*; *fluid coking units*; *delayed coking units*; catalytic reforming units; coke calcining units; *asphalt* blowing operations; *blowdown* systems; *storage tanks*; *process unit* components (compressors, pumps, *valves*, *pressure relief devices*, flanges and *connectors*) in gas service; marine vessel, barge, tanker truck and similar loading operations; *flares*; *sulfur recovery plants*; and non-merchant hydrogen plants (i.e., hydrogen plants that are owned or under the direct control of the refinery owner and operator)? Specify all sources listed above that are located at Greka Refining's *Facility*.

¹ The GHG Reporting Rule is a federal requirement that is distinct from California's reporting of GHGs under the California Global Warming Solutions Act (AB 32, 2006). The following is the link to the GHG Reporting Rule:

http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title40/40cfr98_main_02.tpl.

² All terms in italics are defined at 40 C.F.R. § 98.6.

³ Petroleum refinery is defined at 40 C.F.R. § 98.250.

3. Does Greka Refining's *Facility* distill only pipeline transmix (off-spec material created when different specification products mix during pipeline transportation)? Only continue to requests 4 and 5 if Greka Refining specifies at least one product in response to request 1, identifies at least one source in response to request 2 and does not distill only pipeline transmix.
4. Did Greka Refining or its designated representative⁴ submit an annual report of *GHGs* from Greka Refining's *Facility* using EPA's electronic *Greenhouse Gas* Reporting Tool ("e-GGRT")⁵ for calendar years:
 - a. 2010?
 - b. 2011?
 - c. 2012?
 - d. 2013?
5. If Greka Refining responded "no" to any of requests 4(a), 4(b), 4(c) or 4(d) calculate the annual *CO2e* emissions from Greka Refining's *Facility*, in accordance with 40 C.F.R §§ 98.252-253, for any calendar year from 2010 through 2013 where an annual report of *GHGs* from Greka Refining's *Facility* was not submitted using e-GGRT.

Greka Refining shall submit its response to this request postmarked no later than forty-five (45) calendar days after receipt of this letter. All information submitted in response to this request must be certified in a signed, separate statement as true, correct, accurate, and complete, to the best of his/her knowledge, by an individual with sufficient knowledge and authority to make such representations on behalf of Greka Refining.

If Greka Refining seeks to withhold any document(s) based on a claim of attorney-client communications privilege or the attorney work product doctrine in its response to this information request, Greka Refining shall provide with its response a privilege log for each document containing the following information: (i) the date, author(s), every individual to whom the document was originally sent, every individual who subsequently acquired the document, the purpose for which the document was sent to or obtained by those individuals, and the employment titles of the authors and recipients; (ii) the subject matter of the document; (iii) the privilege claimed for the document and all facts supporting the claim of privilege; (iv) the primary purpose(s), including the business purposes, for which the document was made; (v) the question(s) in this information request to which the document is responsive to; and (vi) all facts contained in the document that are responsive to a question in this information request.

⁴ See 40 C.F.R. § 98.4 for the authorization and responsibilities of the designated representative.

⁵ See <http://www.epa.gov/ghgreporting/reporters/datasystem/index.html> for information on e-GGRT.

The responsive information shall be accompanied by a cover letter sent via certified mail with return receipt requested to the following address:

Ms. Kathleen H. Johnson
Director, Enforcement Division
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Attn: Andrew Chew (ENF-2-1)

Please be advised that under Section 113(a) of the Act, 42 U.S.C. § 7413(a), failure to provide the information and documents required by this letter may result in an order requiring compliance, an order assessing an administrative penalty, or a civil action for appropriate relief. Section 113(b) of the Act, 42 U.S.C. § 7413(b), provides for the assessment of a civil penalty, which has been adjusted for inflation to \$37,500 per day, for each violation of the Act. See 40 C.F.R. § 19.4 (for penalties effective after January 12, 2009). In addition, Section 113(c) of the Act, 42 U.S.C. § 7413(c), provides criminal penalties for knowingly making any false material statement in, or omitting material information from, any report required under the Act. The information provided by Greka Refining may be used by the United States in administrative, civil, or criminal proceedings.

You may, if you desire, assert a confidential business information (“CBI”) claim on behalf of Greka Refining covering part or all of the information provided to EPA in response to this letter. Any such CBI claim must conform to the requirements set forth in 40 C.F.R. Part 2, particularly 40 C.F.R. § 2.203. You are advised that certain information may be made available to the public pursuant to Section 114(c) of the Act, 42 U.S.C. § 7414(c), and 40 C.F.R. § 2.301, notwithstanding a claim that such information is entitled to confidential treatment. Please note that emission data provided pursuant to Section 114 of the Act, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. Emission data is defined at 40 C.F.R. § 2.301(a)(2). If no claim of confidentiality is received with your reply, the information may be made available to the public without notice to Greka Refining.

This information request is not subject to review by the Office of Management and Budget under the Paperwork Reduction Act because it is not the “collection of information” within the meaning of 44 U.S.C. §§ 3502(3) and 3518(c)(1), since it is being directed to fewer than ten persons or entities and is being issued during the conduct of an investigation involving the EPA against specific individuals or entities. See also 5 C.F.R. §§ 1320.3(c) and 1320.4.

We would also like to take this opportunity to advise you that Greka Refining may qualify as a “small business” under the Small Business Regulatory Enforcement and Fairness Act (“SBREFA”). Please review the enclosed SBREFA Information Sheet, which is designed to provide information on compliance assistance to entities that may qualify as small businesses as well as to inform them of their right to comment to the SBREFA Ombudsman concerning EPA’s enforcement activities. Please be aware that SBREFA does not eliminate Greka Refining’s responsibility to respond in a timely fashion to any complaint or information request that EPA may issue or other enforcement action that EPA may take, nor does SBREFA create any new rights or defenses under the law other than the right to comment to the SBREFA Ombudsman.

If Greka Refining anticipates that it will not be able to respond fully to this request within the time period specified, Greka Refining must submit a sworn declaration by a responsible corporate official

within ten (10) calendar days after receipt of this letter specifying what information will be provided by the allotted deadline, describing the efforts that have been/are being undertaken to obtain the remaining other responsive information, and providing a detailed schedule of when such other responsive information will be provided. Upon receipt and based upon such declaration, EPA may extend the time in which to respond to this information request. Also, please contact EPA if Greka Refining determines that a full response to a particular request for information would require the submission of an extremely large number of documents. Based upon such notification, EPA may modify the scope of the documents required to be produced.

If you have any questions regarding this request, please contact Andrew Chew of my staff at (415) 947-4197 or your attorney can contact Daniel Reich, Office of Regional Counsel, at (415) 972-3911. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kath H Johnson", written in a cursive style.

Kathleen H. Johnson
Director, Enforcement Division

Enclosures

cc: Susan Whalen, Greka Refining Company
Dave Van Mullem, Santa Barbara County APCD
James Ryden, California Air Resources Board

ENCLOSURE 1: Instructions

1. All responsive documents must be:
 - a. provided as an accurate and legible copy in a searchable PDF file format;
 - b. submitted on a disk (CD or DVD media);
 - c. number stamped in sequential order (BATES stamped); and
 - d. submitted and postmarked no later than forty-five (45) calendar days after receipt of our letter.
2. Prepare a cover letter that includes a written response to all requests referencing the request number to which each answer or document pertains. In addition, attach to the cover letter the signed certification by a corporate official with authority to make such representations for Greka Refining, described in the body of the above information request letter.
3. To the extent that Greka Refining has no responsive information or documents for any particular request, this must be explicitly stated in the response.
4. Where documents or information necessary for a response are neither in your possession nor available to you, indicate in your response why such documents or information is not available or in your possession and identify any source that either possesses or is likely to possess such information.
5. To the extent that a document is responsive to more than one request, this must be so indicated and only one copy of the document need be provided.